

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
JEAN JEWELL
COMMISSION STAFF
LEGAL**

FROM: JOHN HAMMOND

DATE: JANUARY 23, 2003

**RE: REVOKING GLOBAL TELELINK SERVICES, INC.'S AUTHORITY TO
PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES.
CASE NO. GNR-T-03-4.**

This Decision Memorandum is submitted to address the failure of Global Telelink Services, Inc. to post a bond as a condition for issuance of its CPCN. Furthermore, The Company has had its Certificate of Authority to transact business in the State of Idaho administratively revoked or cancelled. *See Idaho Code* §§ 30-1-128, 1-1501 and 1-1530.

Global Telelink Services, Inc. (Previous Case No. GNR-T-00-22).

On July 20, 2000, Global Telelink, LLC ("Global") filed an Application for a CPCN in Case No. GNR-T-00-22. Global was a Georgia corporation with headquarters in Atlanta, Georgia. The Company was owned entirely by two stockholders, one being Robert Smith, who served as its president and vice president. Global did not own any subsidiaries or maintain offices in Idaho. The Company was certified to transact business in Idaho on May 5, 2000. Global sought Commission authorization to provide facilities-based and resold local exchange services to Idaho customers pursuant to Title 62 of the Idaho Code within the Qwest (North and South) and Verizon service areas. On January 22, 2001, the Commission granted Global's Application and found that the Certificate should be issued subject to the posting of a \$25,000 bond. *See Order No. 28611.*

Global has never provided evidence that it had posted the required bond. Further, on January 6 2003, Staff received an e-mail from Ron Jackson, Global's former legal counsel stating "[O]ur firm withdrew as counsel to Global TeleLink Services, Inc. during the Spring of 2001. It is our understanding that [the company] ceased business operations and its assets were

administered by a court-appointed receiver.” This statement is corroborated by information Staff has obtained about Global from the Secretary State’s Office for the State of Idaho and the Securities and Exchange Commission (“SEC”). First, Staff has learned that Global’s Certificate of Authority to transact business in the State of Idaho was administratively revoked by the Secretary of State on August 6, 2001. Second, Staff learned from the SEC website that:

On March 9, 2001 the SEC had obtained preliminary injunctions, asset freezes and other relief against Global Telelink Services, Inc. (GTS) Global Contact Corporation (Global Contact), and Robert Smith III [from the United States District Court for the Northern District of Georgia]. The SEC alleged that the defendants were illegally selling unregistered securities in a Ponzi scheme that raised over \$10 million from more than 300 mostly elderly investors. . . . The Court appointed Lloyd T. Whitaker as Receiver for GTS and Global Contact. He has sold the assets of the companies and anticipates collecting approximately \$275,000. With potential claims amounting to nearly \$14 million, the Receiver has cautioned claimants that the distribution, if any, will be a very small fraction of the claims.

www.sec.gov/divisions/enforce/claims/globtelelink.htm.

STAFF RECOMMENDATION

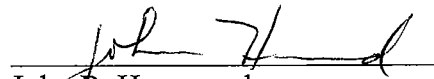
A CPCN is subject to and contingent upon statutory conditions, regulations and restrictions. *See* Order No. 26665. The nature of the grant is such that it is always subject to review. The grant of a CPCN entails a reciprocal acceptance of responsibility and duties by the regulated utility. Failure to perform those duties makes it fair, just and reasonable for the Commission to revoke its privilege to provide service. Breach of condition whether express or implied upon which the grant depends is grounds for termination or rescission.

Because Global Telelink Services, Inc. has failed to meet the conditions proscribed by the Commission to receive a CPCN, has had its Certificate of Authority to transact business in this State revoked and has been completely dissolved as a result of legal action against it in the State of Georgia, Staff recommends that the Commission revoke any authority given to the Company in Order No. 28611, Case No. GNR-T-00-22, to provide local exchange telecommunications services in Idaho. In addition, Staff recommends that the Commission should remove Global’s illustrative price lists and tariffs from its active files.

COMMISSION DECISION

Does the Commission wish to revoke Global Telelink Services, Inc.’s authority to provide local exchange telecommunications services?

If so, does the Commission wish to remove Global's illustrative price lists and tariffs from its active files?


John R. Hammond

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